

	<p>RM of Meota No. 468</p> <p>Administrative Report</p>
<p>Subject Matter:</p>	<p>Water Works Reporting</p>
<p>Attachments:</p>	<p>Bayview, Lanz Point, Maymont, Pelican Point</p>
<p>Date:</p>	<p>December 16, 2022</p>
<p>Submitted By:</p>	<p>Kirk Morrison</p>

Background:

The RM received an email from Government Relations indicating our previous reporting on water works was missing information. Historically the RM has only completed a “Waterworks Financial Report” and submitted to the government.

The RM Council is required to complete an annual declaration that a “Water Works Rate Policy and Capital Investment Strategy” is in place and a copy of it available to rate payers. This declaration is required in order for the RM and Hamlets to receive their revenue sharing grant.

Council approved the attached policies and rate strategies as an interim measure and will be working with the hamlet boards to refine the plans prior to any rate changes occurring in 2023.

The proposed rates may be updated in 2023 prior to developing a Water Levy Bylaw to replace the Special Levy Bylaw. Currently only Pelican Points water rates are adopted by Water Rate Bylaw and approved by the SMB, the plan is to have the remaining water utility rates approved by the SMB in 2023.

ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

(As required under *The Municipalities Regulations*)

Name and Number of Municipality

R.M. of Meota No. 468 - Organized Hamlet of Bayview

Date

November 14, 2022

WATERWORKS RATE POLICY (to be established by bylaw or resolution)

On December 7, 2022, Council passed a resolution on a waterworks rate policy.

Under the waterworks rate policy resolution, the annual rate of \$600 will continue for the remainder of 2022, as adopted under the Hamlet Special Levy Bylaw dated June 17, 2022, but in an attempt to work towards waterworks revenues that cover waterworks operating costs, beginning January 1, 2023, Council is planning to raise the annual water rate by 10% per year for the next five years and to identify the rate in a Water Rate Bylaw with submission to SMB for approval. At the same time, Council will closely monitor waterworks expenditures.

At the end of the fifth year, Council will review the waterworks policy to work towards waterworks revenues that cover waterworks operating costs and consider the need for a waterworks infrastructure charge.

By planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases. Bylaws will be passed each year for the water rate changes.

The \$600 annual water rate that was established on January 1, 2013 was chosen to be an acceptable rate for residents and businesses at that time. The annual water rate does not generate enough waterworks revenues to cover the waterworks operating costs. The rate covers about 76% of the waterworks operating costs, with the other 24% of the operating costs being covered by funding from the general revenue fund. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. Also, the annual water rate does not include an infrastructure charge. Some municipalities use an infrastructure charge to collect revenue that is put into reserves so that they are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required.

Below provides the planned annual water rate increases of 10 percent per year over the next five years. To demonstrate the impact on residents and businesses, below are estimated monthly charges that reflect the rate increases.

Date	Estimated Annual Charge	Estimated Monthly Charge
January 1, 2023	\$660	\$55
January 1, 2024	\$726	\$61
January 1, 2025	\$800	\$67
January 1, 2026	\$880	\$74
January 1, 2027	\$968	\$81

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time so that the revenues cover operating costs, to the extent possible. At the end of the fourth year of the planned rate increases, Council will review its waterworks policy to determine if revenues are covering costs. At that time, Council will also need to consider increasing rates to build the waterworks reserves in order to cover future infrastructure maintenance and replacement costs.

This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal (Hamlet) financial demands under the municipal (Hamlet) general revenue fund. This will ensure our waterworks can provide safe drinking water. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund will be reflected in future mill rates.

WATERWORKS CAPITAL INVESTMENT STRATEGY

On December 7, 2022, Council passed a resolution on a capital investment strategy.

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves, once the water rates cover waterworks operating costs, and long term borrowing.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2022 Cost	Future Cost*	Source of Funding
Replace Water Treatment Plant	2035	\$230,671	\$338,748	reserves and borrowing
Water line rehab	2040	\$136,455	\$200,388	reserves and borrowing

*Assuming a 3% rate of inflation per year.

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2021 waterworks revenues (as reported in the Financial Statements) (R) - \$17,483.61

Total 2021 waterworks expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - \$22,950.06

Total debt payments on waterworks infrastructure loans (D) - zero (no waterworks debt)

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$17,484)}{(\$22,950)+(\$0)} = .76$

If needed, an explanation of the ratio. (Examples could include reasons for variation from other years; unusual expenditures, revenues or volume; new infrastructure debt, etc.)

For 2021, waterworks revenues covered 76 percent of the waterworks expenditures.

Amount of 2021 waterworks revenues transferred out of the utility, specifying where the revenues were transferred - zero.

Amount of 2021 supplementary funding required to cover expenditures, specifying the source of the supplementary funding - \$5,466.45 from the general revenue fund.

RESERVES

Reserves available for waterworks capital infrastructure - \$11,184.34.

ATTACHMENTS

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC THROUGH NEWSPAPERS, DIRECT MAILOUTS OR WEBSITES BY SEPTEMBER 1 OF EACH YEAR

The following is information on the Hamlet of Example's waterworks, as required under *The Municipalities Regulations*.

2021 Waterworks Financial Overview:

- Total waterworks revenues (R) - \$17,483.61
 - Total waterworks expenditures (E) - \$22,950.06
 - Total debt payments on waterworks infrastructure loans (D) - 0
 - Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$17,484)}{(\$22,950) + (\$0)} = .76$
- For 2021, waterworks revenues covered 76 percent of the waterworks expenditures.

The following additional information is available at the municipal office on the waterworks:

- the December 7, 2022 waterworks rate policy and capital investment strategy
- capital plans in place and related sources of funding for the projects
- 2021 financial overview of the waterworks
- waterworks reserves

(A copy of the information is to be sent to **Saskatchewan Ministry of Government Relations, Municipal Infrastructure and Finance Branch, 410-1855 Victoria Avenue, Regina, Saskatchewan, S4P 3T2.**)

ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

(As required under *The Municipalities Regulations*)

Name and Number of Municipality

R.M. of Meota No. 468 - Organized Hamlet of Lanz Point

Date

November 22, 2022

WATERWORKS RATE POLICY (to be established by bylaw or resolution)

On December 7, 2022, Council passed a resolution on a waterworks rate policy.

Under the waterworks rate policy resolution, the annual rate of \$500 will continue for the remainder of 2022, as adopted under the Hamlet Special Levy Bylaw dated June 17, 2022, but in an attempt to work towards waterworks revenues that cover waterworks operating costs, beginning January 1, 2023, Council is planning to raise the annual water rate by 10% per year for the next five years and identify the rates in a Water Rate Bylaw that will be forwarded to SMB for approval . At the same time, Council will closely monitor waterworks expenditures.

At the end of the fifth year, Council will review the waterworks policy to work towards waterworks revenues that cover waterworks operating costs and consider the need for a waterworks infrastructure charge.

By planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases. Bylaws will be passed each year for the water rate changes.

The \$500 annual water rate that was established on January 1, 2017 was chosen to be an acceptable rate for residents and businesses at that time. The annual water rate does not generate enough waterworks revenues to cover the waterworks operating costs. The rate covers about 60% of the waterworks operating costs, with the other 40% of the operating costs being covered by funding from the general revenue fund. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. Also, the annual water rate does not include an infrastructure charge. Some municipalities use an infrastructure charge to collect revenue that is put into reserves so that they are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required.

Below provides the planned annual water rate increases of 10 percent per year over the next five years. To demonstrate the impact on residents and businesses, below are estimated monthly charges that reflect the rate increases.

Date	Estimated Annual Charge	Estimated Monthly Charge
January 1, 2023	\$550	\$46
January 1, 2024	\$605	\$51
January 1, 2025	\$665	\$56
January 1, 2026	\$732	\$61
January 1, 2027	\$805	\$67

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time so that the revenues cover operating costs, to the extent possible. At the end of the fourth year of the planned rate increases, Council will review its waterworks policy to determine if revenues are covering costs. At that time, Council will also need to consider increasing rates to build the waterworks reserves in order to cover future infrastructure maintenance and replacement costs.

This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal (Hamlet) financial demands under the municipal (Hamlet) general revenue fund. This will ensure our waterworks can provide safe drinking water. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund will be reflected in future mill rates.

WATERWORKS CAPITAL INVESTMENT STRATEGY

On December 7, 2022, Council passed a resolution on a capital investment strategy.

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves, once the water rates cover waterworks operating costs, and long term borrowing.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2022 Cost	Future Cost*	Source of Funding
well upgrades	2041	\$13,947	\$24,456	reserves

*Assuming a 3% rate of inflation per year.

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2021 waterworks revenues (as reported in the Financial Statements) (R) - \$32,143.25

Total 2021 waterworks expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - \$53,136.25

Total debt payments on waterworks infrastructure loans (D) - zero (no waterworks debt)

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$32,143)}{(\$53,136)+(\$0)} = .60$

If needed, an explanation of the ratio. (Examples could include reasons for variation from other years; unusual expenditures, revenues or volume; new infrastructure debt, etc.)

For 2021, waterworks revenues covered 60 percent of the waterworks expenditures.

Amount of 2021 waterworks revenues transferred out of the utility, specifying where the revenues were transferred - zero.

Amount of 2021 supplementary funding required to cover expenditures, specifying the source of the supplementary funding - \$20,993.00 from the general revenue fund.

RESERVES

Reserves available for waterworks capital infrastructure - \$4,747.35.

ATTACHMENTS

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC THROUGH NEWSPAPERS, DIRECT MAILOUTS OR WEBSITES BY SEPTEMBER 1 OF EACH YEAR

The following is information on the Hamlet of Example's waterworks, as required under *The Municipalities Regulations*.

2021 Waterworks Financial Overview:

- Total waterworks revenues (R) - \$32,143.25
 - Total waterworks expenditures (E) - \$53,136.25
 - Total debt payments on waterworks infrastructure loans (D) - 0
 - Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$32,143)}{(\$53,136) + (\$0)} = .60$
- For 2021, waterworks revenues covered 60 percent of the waterworks expenditures.

The following additional information is available at the municipal office on the waterworks:

- the December 7, 2022 waterworks rate policy and capital investment strategy
- capital plans in place and related sources of funding for the projects
- 2021 financial overview of the waterworks
- waterworks reserves

(A copy of the information is to be sent to **Saskatchewan Ministry of Government Relations, Municipal Infrastructure and Finance Branch, 410-1855 Victoria Avenue, Regina, Saskatchewan, S4P 3T2.**)

ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

(As required under *The Municipalities Regulations*)

Name and Number of Municipality

R.M. of Meota No. 468 - Organized Hamlet of Maymont Beach

Date

November 23, 2022

WATERWORKS RATE POLICY (to be established by bylaw or resolution)

On December 7, 2022, Council passed a resolution on a waterworks rate policy.

Under the waterworks rate policy resolution, the annual rates of \$600 and \$400 will continue for the remainder of 2022, as adopted under the Hamlet Special Levy Bylaw dated June 17, 2022, but in an attempt to work towards waterworks revenues that cover waterworks operating costs, beginning January 1, 2023, Council is planning to alter the water rates and prepare a bylaw for submission to the SMB for rate approval. SMB approval requires a special levy to be assessed per service connection and in accordance with the Financial Agreement hamlets are not authorized to assess a separate levy for seasonal properties.

At the end of the fifth year, Council will review the waterworks policy to work towards waterworks revenues that cover waterworks operating costs and consider the need for a waterworks infrastructure charge. By planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases. Bylaws will be passed each year for the water rate changes.

The \$600 and \$400 annual water rates that were established on January 1, 2017 were chosen to be acceptable rates for residents and businesses at that time. The annual water rates do not generate enough waterworks revenues to cover the waterworks operating costs. The rates cover about 63% of the waterworks operating costs, with the other 37% of the operating costs being covered by funding from the general revenue fund. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. Also, the annual water rate does not include an infrastructure charge. Some municipalities use an infrastructure charge to collect revenue that is put into reserves so that they are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required.

Below provides the planned annual water rates over the next five years. The rate in 2023 will be adjusted to capture 100% of the operating costs divided by 49 properties with 3% per years increases following. To demonstrate the impact on residents and businesses, below are estimated monthly charges that reflect the rate increases.

Date	Estimated Annual Charge	Estimated Monthly Charge
January 1, 2023	\$680	\$56
January 1, 2024	\$700	\$58
January 1, 2025	\$720	\$60
January 1, 2026	\$740	\$62
January 1, 2027	\$760	\$64

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time so that the revenues cover operating costs, to the extent possible. At the end of the fourth year of the planned rate increases, Council will review its waterworks policy to determine if revenues are covering costs. At that time, Council will also need to consider increasing rates to build the waterworks reserves in order to cover future infrastructure maintenance and replacement costs.

This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal (Hamlet) financial demands under the municipal (Hamlet) general revenue fund. This will ensure our waterworks can provide safe drinking water. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund will be reflected in future mill rates.

WATERWORKS CAPITAL INVESTMENT STRATEGY

On December 7, 2022, Council passed a resolution on a capital investment strategy.

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves, once the water rates cover waterworks operating costs, and long term borrowing.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2022 Cost	Future Cost*	Source of Funding
WTP - Building Upgrades	2041	\$30,539	\$53,550	reserves

*Assuming a 3% rate of inflation per year.

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2021 waterworks revenues (as reported in the Financial Statements) (R) - \$21,103.02

Total 2021 waterworks expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - \$33,468.79

Total debt payments on waterworks infrastructure loans (D) - zero (no waterworks debt)

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$21,103)}{(\$33,469)+(\$0)} = .63$

If needed, an explanation of the ratio. (Examples could include reasons for variation from other years; unusual expenditures, revenues or volume; new infrastructure debt, etc.)

For 2021, waterworks revenues covered 63 percent of the waterworks expenditures.

Amount of 2021 waterworks revenues transferred out of the utility, specifying where the revenues were transferred - zero.

Amount of 2021 supplementary funding required to cover expenditures, specifying the source of the supplementary funding - \$12,365.77 from the general revenue fund.

RESERVES

Reserves available for waterworks capital infrastructure - \$7,380.05

ATTACHMENTS

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC THROUGH NEWSPAPERS, DIRECT MAILOUTS OR WEBSITES BY SEPTEMBER 1 OF EACH YEAR

The following is information on the Hamlet of Example's waterworks, as required under *The Municipalities Regulations*.

2021 Waterworks Financial Overview:

- Total waterworks revenues (R) - \$21,103.02
 - Total waterworks expenditures (E) - \$33,468.79
 - Total debt payments on waterworks infrastructure loans (D) - 0
 - Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{\$21,103}{(\$33,469) + (\$0)} = .63$
- For 2021, waterworks revenues covered 63 percent of the waterworks expenditures.

The following additional information is available at the municipal office on the waterworks:

- the December 7, 2022 waterworks rate policy and capital investment strategy
- capital plans in place and related sources of funding for the projects
- 2021 financial overview of the waterworks
- waterworks reserves

(A copy of the information is to be sent to **Saskatchewan Ministry of Government Relations, Municipal Infrastructure and Finance Branch, 410-1855 Victoria Avenue, Regina, Saskatchewan, S4P 3T2.**)

ANNUAL WATERWORKS INFORMATION AVAILABLE AT THE MUNICIPAL OFFICE BY SEPTEMBER 1 OF EACH YEAR (beginning 2006)

(As required under *The Municipalities Regulations*)

Name and Number of Municipality

R.M. of Meota No. 468 - Organized Hamlet of Pelican Point

Date

November 23, 2022

WATERWORKS RATE POLICY (to be established by bylaw or resolution by July 1, 2006)

On December 7, 2022, Council passed a resolution on a waterworks rate policy.

Under the waterworks rate policy resolution, the annual rate of \$455 will continue for the remainder of 2022, as adopted under the Pelican Point Water Bylaw dated January 7, 2021, but in an attempt to work towards waterworks revenues that cover waterworks operating costs, beginning January 1, 2023, Council is planning to raise the annual water rate by 10% per year for the next two years. At the same time, Council will closely monitor waterworks expenditures.

At the end of the second year, Council will review the waterworks policy to work towards waterworks revenues that cover waterworks operating costs and consider the need for a waterworks infrastructure charge.

By planning the waterworks rate increases ahead of time, residents and businesses will be able to prepare for and adjust to the increases. Bylaws will be passed each year for the water rate changes.

The \$455 annual water rate that was established was chosen to be an acceptable rate for residents and businesses at that time. The annual water rate does not generate enough waterworks revenues to cover the waterworks operating costs. The rate covers about 96% of the waterworks operating costs, with the other 4% of the operating costs being covered by funding from the general revenue fund. Waterworks operating costs, or expenditures, include waterworks' staff salaries, benefits and training; power; telephone; fuel; heat; insurance; chemicals; repairs; maintenance; supplies; etc. Also, the annual water rate does not include an infrastructure charge, nor have infrastructure costs been included in the in waterworks operating costs. Some municipalities use an infrastructure charge to collect revenue that is put into reserves so that they are able to address waterworks infrastructure problems that arise and replace aging waterworks infrastructure as required.

Below provides the planned annual water rate increases of 3 percent per year over the next five years. To demonstrate the impact on residents and businesses, below are estimated monthly charges that reflect the rate increases.

Date	Estimated Annual Charge	Estimated Monthly Charge
January 1, 2023	\$469	\$39
January 1, 2024	\$483	\$40
January 1, 2025	\$497	\$41
January 1, 2026	\$512	\$43
January 1, 2027	\$527	\$44

The objective of the waterworks rate policy is to work towards waterworks that are self-financing, where the users pay for the cost of the service. To accomplish this, waterworks rates need to increase over time so that the revenues cover operating costs, to the extent possible. At the end of the second year of the planned rate increases, Council will review its waterworks policy to determine if revenues are covering costs. At that time, Council will also need to consider increasing rates to build the waterworks reserves in order to cover future infrastructure maintenance and replacement costs.

This waterworks rate policy will work towards financially independent waterworks that do not have to compete with other key municipal (Hamlet) financial demands under the municipal (Hamlet) general revenue fund. This will ensure our waterworks can provide safe drinking water. Also, rates that cover costs will influence consumer demand and water conservation, and self-financing waterworks will reduce pressures on property taxes. Reduced funding for the waterworks from the general revenue fund will be reflected in future mill rates.

WATERWORKS CAPITAL INVESTMENT STRATEGY

On December 7, 2022, Council passed a resolution on a capital investment strategy.

The objective of the waterworks capital investment strategy is to address anticipated waterworks infrastructure maintenance, the immediate drinking water infrastructure problems and future infrastructure replacements in a timely fashion so as to ensure the municipal waterworks provides safe drinking water to residents and businesses.

To cover the costs of future waterworks infrastructure maintenance and replacements, Council will likely need to undertake in the future a combination of increasing water rates to build the waterworks reserves, once the water rates cover waterworks operating costs, and long term borrowing.

This capital investment strategy will ensure that safe drinking water can be provided to the residents and businesses in the community in the present and future.

Capital plans have been established to address the waterworks infrastructure deficiencies and replacements to ensure safe drinking water. The current waterworks capital plans and planned sources of funding are as follows:

Project	Planned Year of Completion	2022 Cost	Future Cost*	Source of Funding
Building Upgrades	2036	\$102,841	\$46,626	reserves and borrowing

*Assuming a 3% rate of inflation per year.

For future waterworks capital plans, projects will be prioritized based on what is needed to ensure safe drinking water.

ANNUAL FINANCIAL OVERVIEW (of the previous calendar year)

Total 2021 waterworks revenues (as reported in the Financial Statements) (R) - \$30,030.00

Total 2021 waterworks expenditures (as reported in the Financial Statements) (includes interest paid on waterworks infrastructure loans) (E) - \$31,436.51

Total debt payments on waterworks infrastructure loans (D) - zero (no waterworks debt)

Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$30,030)}{(\$31,437)+(\$0)} = .96$

Water Treatment Plant upgrades valued at \$62,187.21 are not included in the expenditures above. Additional infrastructure costs will be required in 2022. For 2021, waterworks revenues covered 76 percent of the waterworks expenditures.

Amount of 2021 waterworks revenues transferred out of the utility, specifying where the revenues were transferred - zero.

Amount of 2021 supplementary funding required to cover waterworks expenditures and infrastructure costs, specifying the source of the supplementary funding - \$63,593.72 from the general revenue fund.

RESERVES

Reserves available for waterworks capital infrastructure - \$26,870.83

ATTACHMENTS

ANNUAL INFORMATION PROVIDED DIRECTLY TO THE PUBLIC THROUGH NEWSPAPERS, DIRECT MAILOUTS OR WEBSITES BY SEPTEMBER 1 OF EACH YEAR

The following is information on the Hamlet of Example's waterworks, as required under *The Municipalities Regulations*.

2021 Waterworks Financial Overview:

- Total waterworks revenues (R) - \$30,030.00
 - Total waterworks expenditures (E) - \$31,436.51
 - Total debt payments on waterworks infrastructure loans (D) - 0
 - Comparison of waterworks revenues to expenditures plus debt payments, expressed as a ratio - $\frac{(\$30,030)}{(\$31,437)+(\$0)} = .96$
- For 2021, waterworks revenues covered 96 percent of the waterworks expenditures.

The following additional information is available at the municipal office on the waterworks:

- the December 7, 2022 waterworks rate policy and capital investment strategy
- capital plans in place and related sources of funding for the projects
- 2021 financial overview of the waterworks
- waterworks reserves

(A copy of the information is to be sent to **Saskatchewan Ministry of Government Relations, Municipal Infrastructure and Finance Branch, 410-1855 Victoria Avenue, Regina, Saskatchewan, S4P 3T2.**)